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26 MAY 1959

MEMORANDUM FOR: Chief, Financial Management Improvement Staff

FROM : Chief, Technical Accounting Staff

SUBJECT : Outline for History Paper for TAS - 1953-1957

1. Organizational Structure -

a. Mission of TAS:

The TAS is responsible for furnishing staff advice to the Comptroller and other Agency officials in formulating current and long range accounting policies and programs involving financial control and accounting and reporting of CIA vouchered and confidential funds. The TAS is responsible for undertaking procedural studies and developing comprehensive accounting systems, administrative controls and various accounting techniques and methods in support of all Agency operations; for developing and installing financial, fiscal, and inventory accounting systems in Agency projects; for developing fiscal, financial and inventory accounting procedural manuals and regulations; and for conducting field and departmental inspections of accounting operations to insure adherence to policies and procedures, and to develop modifications or revisions thereto in the light of administrative requirements.

b. The TAS staffing pattern as at the close of the fiscal year 1953, 1954, 1955, 1956, and 1957 is set forth in the attached schedule. Under this staffing pattern, at the inception of the staff in fiscal year 1953, the GS-14 Accountant served as deputy to the Chief and assisted in directing the activities of all staff operations. Before the close of fiscal year 1953 the number of GS-14 Accountant positions on the Staff was increased from one to four with the objective of providing competent and experienced staff members capable of serving as senior group leaders to assist in the supervision of major work areas. Following such action, accountants at GS-14 were assigned to major work areas as set forth below with one such individual continuing to serve as deputy to the Chief:

Regulations

Property Accounting, Policy and Procedures

General Accounting Policy and Procedures

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2. Operating Policy - Organization Unit

a. As the organizational title implies, TAS members operate individually in staff capacities undertaking studies and developing policies and procedures under the guidance of the Chief of the Staff,

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Deputy Comptroller or Comptroller. As indicated above, the senior members operate in the general capacities of group leaders having major project assignments, and exercising technical supervision over other staff members as may be assigned. Work projects are established and assigned numbers covering the various assignments to the Staff members with target dates established, and periodic reports are furnished to the Comptroller and Deputy Comptroller covering the status of the project. Each staff member maintains time records covering each days' activity and weekly time reports are submitted to the Staff Chief, which are summarized on the periodic assignment status reports to the Comptroller and Deputy Comptroller.

3. Accomplishments:

It is understood that the data required relative to accomplishments will be obtained from annual budget presentations.

4. Financial Policy Concerning Use of Vouchered and Confidential Funds

a. The special authority to the Agency to use confidential funds is set in Section 10 of Public Law 110, which provides, in part:

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"Section 10.(a) Notwithstanding any other provisions of law, sums made available to the Agency by appropriation or otherwise may be expended for purposes necessary to carry out its functions, ***"

"Section 10.(b) The sums made available to the Agency may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds; and for objects of a confidential, extraordinary, or emergency nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified."

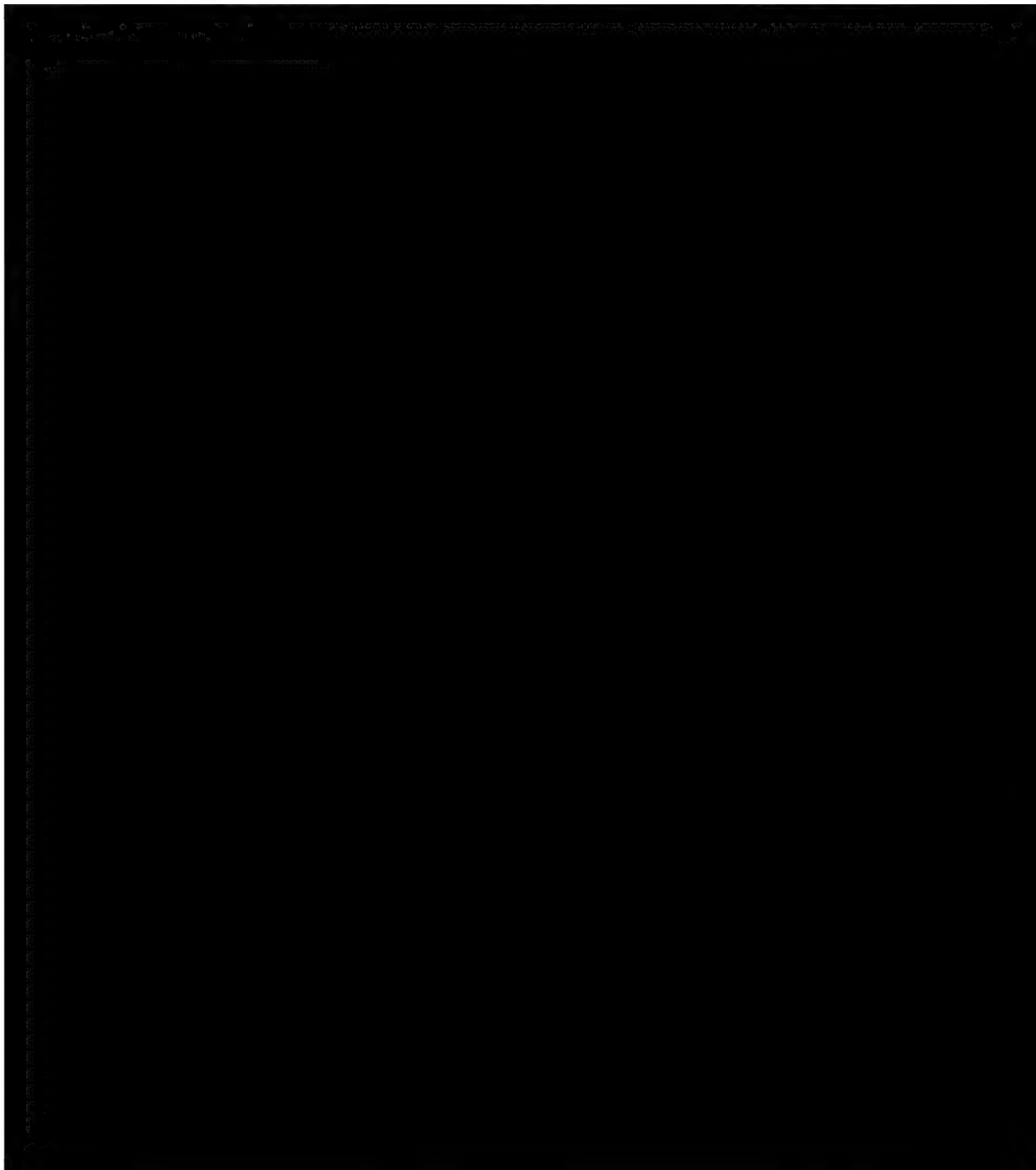
b. The Agency's basic financial policy is to use vouchered funds to the maximum extent possible consistent with the requirements of operational security. Large portions of Agency activities, while highly classified, can conform to normal Government procedures and can therefore be funded without the exercise of the special confidential funds authority granted to the Director in Public Law 110. There has been a continued effort to encourage Agency components to utilize vouchered funds for programs and activities whenever appropriate. For the support of strictly covert operations, however, and for extraordinary or emergency requirements, where the nature of CIA activities precludes compliance with other statutes and procedures and normal Government audit, Agency funds are expended under the authority given in Public Law 110 which makes the certification of the Director of Central Intelligence a final accounting to all outside agencies. This permits the Agency to conduct all audits internally on the so-called confidential or unvouchered funds.

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c. The policy concerning the use of confidential funds is further amplified in paragraph 7 of [REDACTED] (quoted below) and has been in effect without basic change over the entire period from 1953 to the present time.



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TAS: [redacted] /mmb (25 May 1959)

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